MONTANA LEGISLATIVE HISTORY

Chapter 392 19 71

Bill H 142 S _____ Original bill & history ___C

H. Committee on Ways & Means			S. Committee on Taxation		
Hearing Date(s)	1-22	✓C	Hearing Date(s)	2-11	✓C
	1-29	✓C			___C
	1-30	✓C			___C
	2-2	✓C			___C
Date Out		___C			

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

1911

House

Ways & Means

WAYS AND MEANS COMMITTEE

42nd Legislative Assembly

Bill No.	Subject Matter	Date In	Hearing Date	Comments	Date Out	Committee Action	Final Action
HB 114 Hall	An act providing for the imposition of a gift tax	1/12	1/16		1/26	DO NOT PASS	KILLED
HB 127 Fasbender	Provide for an alternative tax for non-resident taxpayers	1/12	1/18		1/18	DO PASS	Signed by Governor
HB 128 Fasbender	Provide for an alternative corporation license tax	1/12	1/18		1/18	DO PASS	Signed By Governor
HB 140 Christiansen	Provide that the temporary tax on gross operating revenue of Motor carriers be made permanent	1/12	1/22	Referred back to committee on 2/1 for further amendment	1/30 2/2	As amended DO PASS As amended DO PASS	As of 3/4 Enrolling
HB 141 Christiansen	Provide that the temp electrical energy producers license tax be made permanent.	1/12	1/22	Referred back to committee on 2/1 for further amendments.	1/30 2/2	As amended DO PASS As amended DO PASS	As of 3/4 Enrolling
HB 142 Christiansen	Provide that the temp metalliferous mines license tax be made permanent.	1/12	1/22	Referred back to committee on 2/1 for further amendment	1/30 2/2	As amended DO PASS DO PASS	As of 3/4 Governor's Office
HB 143 Nichols	Provide that the temp. natural gas distributing license tax be made permanent.	1/12	1/22	Referred back to committee on 2/1 for further amendments.	1/30 2/2	As amended DO PASS DO PASS	As of 3/4 Governor's Office

January 22, 1971

WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Walter Ulmer at 9:00 a.m. in the Governor's Reception Room. Roll call showed fourteen members present. (Absent Kolstad)

This being a joint hearing with the Senate Taxation Committee, Chairman Ulmer then welcomed the Senators.

Bills to be considered today are H.B. 140 through 144.

As Rep. Nichols had another hearing to attend, H.B. 143 of which he is principal sponsor was considered first. He merely stated this bill provides that the temporary natural gas tax of .575 of one cent be continued on a permanent basis.

There being no further proponents and no opposition H.B. 140, 141, 142 of which Rep. Christiansen is principal sponsor were next on the agenda. He stated these bills pertaining to gross operating revenue of motor carriers, electrical energy producers tax and metalliferous mines tax respectively all have the same effect as H.B. 143, which provides that the temporary tax be continued on a permanent basis. Mention was made that these particular license taxes had not been reviewed for many years.

As there were no other proponents, Mr. P. L. MacDonald representing the Anaconda Co. testified in opposition of H.B. 142. He felt this was a sales tax and should be repealed. He spoke in detail of the many taxes this industry has to pay and compared Montana, which pays a tax of $3.45 per pound, with Arizona's $1.89 and Nevada's $1.24. Also Montana taxes are excessive compared to Utah. He then gave a breakdown of last year's total net operating expenditures of 210 million dollars.

There was a rather lengthy discussion following Mr. MacDonald's testimony. The main topic of this discussion was the comparisons between the three states mentioned above.

The last bill to be considered this morning was H.B. 144 of which Rep. Fasbender is principal sponsor. He merely stated this bill provides that the temporary telephone company license tax be made permanent.

There being no further business the meeting adjourned.

Walter J. Ulmer

Walter J. Ulmer
Chairman

NAME [illegible] BILL NO. 142

ADDRESS [illegible] DATE 1-20-

Bill Lucas

WHOM DO YOU REPRESENT? [illegible]

SUPPORT? _____ OPPOSE? X AMEND? _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Vern Miller of the State Board of Equalization was next to testify He stated it makes an assessment of a public utility arrive at a value for the entire state. This value is substantially the amount that is property taxable by the county assessors. Would appreciate support of this bill.

A short question and answer period followed after which the witnesses were excused.

The first bill to be acted upon by the committee was HB 352. Rep. Yardley moved to amend the title providing for an effective date. The motion carried. Rep. Giesick then moved that HB 352 be reported out of committee DO PASS with the following amendment. Carried.

Be amended on page 1 of the titel of the original and introduced bill, line 15, after the word "EQUITABLE" by adding the following new material ", AND TO PROVIDE AN EFFECTIVE DATE"

Rep. Keller then moved HB 267 DO PASS. The motion was seconded and carried.

Rep. Giesick moved HB 257 DO PASS. There followed a brief discussion before Rep. Fasbender made a substitute motion that HB 257 DO NOT PASS. A hand vote was taken and passed.

House Bills 140 through 144 were then discussed at some length regarding amendments. These bills concern making various license tax permanent. Rep. Keller moved that amendments be drawn up to extend the period another two years. The motion carried.

Rep. Giesick moved HB 147 DO PASS. A substitute motion was then made by Rep. Keller, after some discussion, that HB 147 be amended and placed on second reading without recommendation. The amendments being rather lengthy--a copy of the standing committee report is attached.

There being no further business the meeting adjourned.

Walter J. Ulmer
Chairman

The last bill to be considered today was HB 522, of which Rep. Christiansen is principal sponsor. This is a sales tax proposal, which would submit to the voters at the November, 1972, general election the question of whether or not a sales tax should be levied.

Mr. Robert Helding, attorney for the Montana Taxpayers Association spoke in opposition to the bill. He felt that if this is done it should include raising property tax or income tax with the sales tax question.

Rep. Christiansen spoke briefly in rebuttal and urged support. The witnesses were then excused.

Chairman Ulmer stated that HB 140 through 144 had been amended by the State Board of Equalization. Rep. Keller moved HB 140 through 144 DO PASS AS AMENDED. Motion seconded and carried, and the amendments are attached and are a part of these minutes.

There being no further time, Chairman Ulmer stated the committee would meet on adjournment to act on the above bills, and the meeting was adjourned.

Walter J. Ulmer
Chairman

☒ DO PASS AS AMENDED
☐ DO NOT PASS
☐ BE CONCURRED IN
☐ BE NOT CONCURRED IN
☐ BE ADOPTED
☐ BE NOT ADOPTED

STANDING COMMITTEE REPORT

January 30 19 71

MR. PRESIDENT MR. SPEAKER:

We, your committee on WAYS AND MEANS

having had under consideration HOUSE Bill No. 142

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 84-2004, R.C.M., 1947, TO PROVIDE THAT THE TEMPORARY METALLIFEROUS MINES LICENSE TAX BE MADE PERMANENT."

Respectfully report as follows: That House Bill No. 142

be amended in the title of the original bill on page 1, line 7, after the word "PROVIDE" by striking the words "THAT THE TEMPORARY" and inserting in lieu thereof the words "FOR A TEMPORARY INCREASE", and

be further amended in the title of the original bill on page 1, line 8, after the word "TAX" by striking the words "BE MADE PERMANENT" and inserting in lieu thereof the words "AND PROVIDING AN EFFECTIVE DATE", and,

further amend the original bill, following line 11, page 1, through and including line 2, page 3, by striking the material therein in its entirety and inserting in lieu thereof the following material:

~~Respectfully report as follows: That~~ ~~House Bill No.~~

"Section 1. Section 84-2004, R.C.M. 1947, as amended by section 1, chapter 9, extraordinary session, laws of 1969, is amended to read as follows:

"84-2004. Amount of Tax. The annual license tax to be paid by each person engaged in or carrying on the business of working or operating any mine or mining property in this state from which gold, silver, copper, lead or any other metal or metals, precious or semi-precious gems or stones are produced, shall be one dollar, together with an additional sum or amount computed on the gross value of product which may have been derived by such person from such business, work or operation within this state during the calendar year immediately preceding, at the following rates: one-half of one percent (1/2 of 1%) of the amount by which such gross value of product exceeds one hundred thousand dollars ($100,000) and does not exceed two hundred and fifty thousand dollars ($250,000); three-fourths of one percent (3/4 of 1%) of the amount by which such gross value of product exceeds two hundred and fifty thousand dollars ($250,000) and does not exceed four hundred thousand dollars ($400,000); one percent (1%) of the amount by which the gross value of product exceeds four hundred thousand dollars ($400,000) and does not exceed five hundred thousand dollars ($500,000) and one and one-fourth percent (1 1/4%) of the amount by which the gross value of product exceeds five hundred thousand dollars ($500,000);

House Committee Report Form

Chairman.

provided, however, that for all production obtained during the production years 1969 1971 and 1970 1972, the rate of tax shall be fifteen hundredths of one percent (0.15 of 1%) of the first one hundred thousand dollars ($100,000) of the gross value of the product; five hundred seventy-five thousandths of one percent (0.575 of 1%) of the amount by which such gross value of product exceeds one hundred thousand dollars ($100,000) and does not exceed two hundred and fifty thousand dollars ($250,000); eighty-six hundredths of one percent (0.86 of 1%) of the amount by which such gross value of product exceeds two hundred and fifty thousand dollars ($250,000) and does not exceed four hundred thousand dollars ($400,000); one and fifteen hundredths percent (1.15%) of the amount by which the gross value of product exceeds four hundred thousand dollars ($400,000) and does not exceed five hundred thousand dollars ($500,000) and one and four hundred thirty-eight thousandths percent (1.438%) of the amount by which the gross value of product exceeds five hundred thousand dollars ($500,000).'

'Section 2. This act is effective on its passage and approval.'

AS SO AMENDED
DO PASS

Walter Ulmer, Chairman

February 2, 1971

WAYS AND MEANS COMMITTEE

The meeting was called to order at 9:00 a.m. by Chairman Walter Ulmer. Roll call showed all members present.

There being no hearing scheduled for this morning, most of the time was taken up discussing tax philosophies of committee members.

The only business taken up this morning was the action taken on HB 140 through 144. These bills pertain to the various license taxes. All of the bills had been returned to the committee for further amendments, but it was found after consulting with the State Board of Equalization that the only bills which required further amending were HB 140, 141, and 144. These amendments were discussed and the chairman of the subcommittee that had been appointed, Rep. Worden, moved these three bills be reported out of committee DO PASS AS AMENDED. The standing committee reports are attached and form a part of these minutes. He also moved that HB 142 and 143 be reported out DO PASS. These motions were passed unanimously.

Chairman Ulmer stated HB 393 which is a committee bill and a combination of HB 46 and 102 will be referred to another committee.

There being no further business the meeting adjourned.

Walter J. Ulmer
Chairman

1971

Senate

Taxation

[redacted]

COMMITTEE ON TAXATION 1971

BILL NO.	ENTERED COMM.	OUT OF COMM.	DO PASS	DO NOT PASS	DO PASS AS AMENDED	BE CONCURRED IN	BE CONCURRED IN AS AMENDED	BE NOT CONCURRED IN	
HB 23	1/27	2/6/71				x			s by Gov
HB 42	1/18	2/16/711					x		
HB 45	2/10	2/24/71				x			
HB 77	1/18	1/28				x			S BY GOV
HB 78	1/18	1/28				x			
HB 79	2/15	2/24					x		
HB 81	2/15	2/25				x			
HB 84	1/26	2/27						x	KILLED
HB 107	1/25	3/2						x	
HB 127	1/22	1/28				x			S BY BOV
HB 128	1/22	1/28				x			S by Gov
HB 129	1/25	2/9				x			S by Gov
HB 140	2/6	2/20					x		
HB 141	2/6	2/20					x		
HB 142	2/6	2.20					x		
HB 143	2/6	2/20					x		
HB 144	2/6	2/20					x		
HB 147	2/12	2/24						x	KILLED
HB 179	1/20	1/28				x			Sig by Gov
HB 181	1/28	2.6/71						x	KILLED
HB 184	128	2/6				x			Sig by Gov
HB 206	2/3	2/18						x	KILLED
HB 261	1/30	2/16				x			S by Gov

February 11, 1971

The committee on taxation met on the above date at 9 A.M. Roll call was taken, a quorum present, and Senator Nees called the meeting to order.

Representative Christiansen gave a brief report of H. B. 140, and there were no further proponents and no opponents.

Representative Christiansen gave a brief report on H. B. 141 and there were no further proponents, and no opponents.

Representative Christiansen gave a report on H. B. 142 and explained that this was still part of the package to update these tax sources which had not been changed for 10 or more years. There were no other speakers for or against the bill.

Representative Nichols was not present, and Representative Christiansen gave a brief report for him on H. B. 143. With no further speakers on the bill, he was excused.

Representative Zimmer explained the need for H. B. 380, and both Morris Brusett, Legislative Auditor, and Tom Stoll, State Board of Equalization spoke for the bill. They were questioned extensively by the committee members, and were then excused.

HOUSE BILL 140: Motion by Senator Rostad, second by Senator Hanks that H. B. 140 BE CONCURRED IN. Voted and passed.

HOUSE BILL 141: Motion by Senator Gilfeather, second by Senator Mather that H. B. 141 BE CONCURRED IN. Voted, passed.

HOUSE BILL 142: Motion by Senator Broeder, Second by Senator Mather that H. B. 142 BE CONCURRED IN. Voted, passed.

HOUSE BILL 143: Motion by Senator Rostad, seconded by Senator Broeder, that H. B. 143 BE CONCURRED IN. Voted and passed.

HOUSE BILL 380: Motion by Senator Lyon, seconded by Senator Mather that H. B. 380 BE CONCURRED IN. Voted and passed.

HOUSE BILL 144: Motion by Senator Lyon, seconded by Senator Mathers that H. B. BE CONCURRED IN. Voted and passed.

It was announced that House Bills 492 and 518 would be heard on Saturday.

A motion to adjourn was heard.

Senator Nees, Chairman

☐ DO PASS
☐ DO NOT PASS
XXX BE CONCURRED IN
☐ BE NOT CONCURRED IN
☐ BE ADOPTED
☐ BE NOT ADOPTED

STANDING COMMITTEE REPORT

February 11 19 71

MR. PRESIDENT:

We, your committee on TAXATION

having had under consideration HOUSE Bill No. 142
84-2004

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 84-2004, R.C.M. 1947, TO PROVIDE FOR A TEMPORARILY INCREASED METALLIFEROUS MINES LICENSE TAX AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 142

BE CONCURRED IN

XXXXXXX DO PASS

fifteenth day of May, 1969, render a statement to the state board of equalization of the state of Montana, showing the gross amount of money received on account of sales of electricity and electrical energy during the preceding calendar month without any deduction, and shall pay a license tax thereon in the sum of one and *four hundred thirty-eight thousandths* percent *(1.438%)* of such gross amount as shown on such statement in the manner and within the time hereinafter provided; *and such tax shall be effective for the taxable year commencing April 1, 1969, and also for each taxable year thereafter.*"

Licensetax 1.438%.

Taxable years beginning April 1, 1969.

Section 2. This act is effective on April 1, 1971.

Effective April 1, 1971.

Approved March 15, 1971.

CHAPTER NO. 392.

An Act to Amend Section 84-2004, R.C.M., 1947, to Provide for a Permanent Metalliferous Mines License Tax and Providing an Effective Date.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. Section 84-2004, R.C.M., 1947, as amended by section 1, chapter 9, extraordinary session, Laws of 1969, is amended to read as follows:

Amending clause.

"84-2004. **Amount of tax.** The annual license tax to be paid by such person engaged in or carrying on the business of working or operating any mine or mining property in this state from which gold, silver, copper, lead or any other metal or metals, precious or semi-precious gems or stones are produced, shall be, *for the production years commencing on or after January 1, 1970 and for each production year thereafter,* one dollar ($1), together with an additional sum or amount computed on the gross value of product which may have been derived by such person from such business, work or operation within this state during the calendar year immediately preceding, at the following rates: the rate of tax shall be fifteen hundredths of one percent (0.15 of 1%) of the first one hundred thousand dollars ($100,000) of the gross value of the product; five hundred seventy-five thousandths of one percent (0.575 of 1%) of the amount by which such gross value of product exceeds one hundred thousand dollars ($100,000) and does not exceed two hundred and fifty thousand dollars ($250,000); eighty-six hundredths of one percent (0.86 of 1%) of the amount by which such gross value of product exceeds two hundred and fifty thousand dollars ($250,000) and does not exceed four hundred thousand dollars ($400,000); one and fifteen hundredths percent (1.15%) of the amount by which the gross value of product exceeds four hundred thousand dollars ($400,000) and does not exceed five hundred thousand dollars ($500,000) and one and four hundred thirty-eight thousandths percent (1.438%) of the amount by which the gross value of product exceeds five hundred thousand dollars ($500,000)."

Computation—annual license tax—mine operators.

Beginning January 1, 1970. $1 plus percentage of gross value.

Section 2. This act is effective on its passage and approval.

Effective immediately.

Approved March 15, 1971.

CHAPTER NO. 393.

An Act Relating to Management and Regulation of the Floodways of Watercourses as Prescribed; to Define Terms; to Provide for Certain Duties and Powers of the Montana Water Resources Board as Prescribed; to Provide for a Floodway Obstruction Removal Fund; to Declare Certain Acts Unlawful; and to Provide for Penalties.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. The people of the state of Montana find that recurrent flooding of a portion of the state's land resources causes loss of life, damage to property, disruption of commerce and governmental services, and unsanitary conditions; all of which are detrimental to the health, safety, welfare and property of the occupants of flooded lands and the people of this state, and that the public interest necessitates management and regulation of flood-prone lands and waters in a manner consistent with sound land and water use management practices which will prevent and alleviate flooding threats to life and health, and reduce private and public economic losses.

Recurrent flooding—regulation necessary for public good.